

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Joint Application of SBC Communications Inc. ("SBC") and AT&T Corp. ("AT&T") for Authorization to Transfer Control of AT&T Communications of California (U-5002), TCG Los Angeles, Inc. (U-5462), TCG San Diego (U-5389), and TCG San Francisco (U-5454) to SBC, Which Will Occur Indirectly as a Result of AT&T's Merger With a Wholly-Owned Subsidiary of SBC, Tau Merger Sub Corporation.

Application 05-02-027
(Filed February 28, 2005)

**ADMINISTRATIVE LAW JUDGE'S RULING
REGARDING DUE DATE FOR PROTESTS AND
SCHEDULING OF PREHEARING CONFERENCE**

This ruling confirms the due date for protests and schedules a prehearing conference (PHC) in reference to Application 05-02-027, filed on February 28, 2005 by SBC Communications, Inc. (SBC) and AT&T Corp. (AT&T) (collectively, Applicants). The applicants seek authorization to transfer control of AT&T Communications of California, TCG Los Angeles, Inc. TCG San Diego, and TCG San Francisco from subsidiaries of AT&T to subsidiaries of the combined organization that will result from AT&T's planned merger with SBC.

On March 16, 2005, an Assigned Commissioner's Ruling was issued, directing the Applicants to supplement the application to provide all the information they believe necessary and appropriate to demonstrate compliance with all of the provisions of Pub. Util. Code §§ 854(b) and (c) to the extent that they had not already done so in the original application.

Applicants asserted that they are exempt from § 854(b)¹ because the transaction involves the merger of a telecommunications holding company with another holding company. Accordingly, the application, as originally filed, did not include a showing under § 854(b) the Public Utilities Code. Moreover, although Applicants believe that § 854(c) ²does not apply, they nevertheless supplied information in the original application that they asserted would permit the Commission to approve the transaction under § 854(c).

Although the Assigned Commissioner did not rule conclusively on the applicability of § 854(b), he directed Applicants to file the supplement in the interest of ensuring that any potential disagreement over the statute's applicability not be cause for delay in processing the Application.

On March 30, 2005, the Applicants filed the document entitled "Joint Supplemental Application of SBC Communications, Inc. and AT&T Corp." This document was filed by in compliance with the above-referenced Assigned Commissioner's Ruling, dated March 16, 2005. Because the information required pursuant to § 854(b) may potentially impact the extent to which various parties may chose to participate in this proceeding, the Assigned Commissioner also extended the protest period for the Application for an additional 15 days beyond the date of the supplemental filing. Accordingly, based on the filing date of the

¹ Section 854(b) requires the Commission to find that the proposed change in control provides short-and long-term benefits to customers (854(b)(1), equitably allocate forecasted short-and long-term economic benefits where the Commission has ratemaking authority (854(b)(2), and determine that the change in control does not adversely affect competition (854(b)(3)).

² Section 854(c) requires the Commission to apply eight criteria in its evaluation of whether a transaction is in the public interest.

supplemental filing, the due date for any protests to this application is set at April 14, 2005.

In accordance with Commission Rule 44.2, any protest must state the facts constituting the grounds for the protest, the effect of the Application on the protestant, the reasons the protestant believes the Application, or any part of it, is not justified. If the protest requests an evidentiary hearing, the protest must state the facts the protestant would present at an evidentiary hearing to support its request for whole or partial denial of the Application.

The Assigned Commissioner's Ruling of March 16, 2005, also directed the assigned Administrative Law Judge to schedule a PHC as soon as practical following the conclusion of the protest period to move this matter forward expeditiously. Accordingly, a PHC is hereby scheduled for 2:00 p.m. on April 20, 2005, at the Commission's courtroom.

At the PHC, parties intending to participate in this proceeding shall identify themselves and indicate their interest in the proceeding. Interested parties, including protestants, should be prepared to address what further proceedings, if any, they believe are warranted (*e.g.*, written pleadings, evidentiary hearings and/or public participation hearings, *etc.*) to create a sufficient record upon which the Commission can render its decision in this application.

Parties should be prepared to present and justify their proposals for the schedule to complete this proceeding, and to address any other procedural issues, including discovery matters. Following the conclusion of the PHC, a scoping memo shall be issued, defining the scope of issues and setting the procedural schedule for this application.

IT IS RULED that:

1. The due date for protests to this Application is April 14, 2005. Any protests shall comply with Commission Rule 44.2, as outlined above.
2. A prehearing conference in this Application is hereby scheduled for April 20, 2005 at 2:00 p.m. at the Commission's courtroom at 505 Van Ness Avenue, San Francisco, California. Interested parties shall be prepared to discuss pertinent procedural issues, as outlined above.

Dated April 5, 2005, at San Francisco, California.

/s/ Thomas R. Pulsifer

Thomas R. Pulsifer
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail, and by electronic mail, to the parties to which an electronic mail address has been provided, this day served a true copy of the original attached Administrative Law Judge's Ruling Regarding Due Date for Protests and Scheduling of Prehearing Conference on all parties of record in this proceeding or their attorneys of record.

Dated April 5, 2005, at San Francisco, California.

/s/ Antonina V. Swansen
Antonina V. Swansen

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.

